



Signed and Filed: February 3, 2020

A handwritten signature in black ink, reading "Dennis Montali", is written over a horizontal line.

DENNIS MONTALI
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re:) Bankruptcy Case
PG&E CORPORATION,) No. 19-30088-DM
- and -) Chapter 11
PACIFIC GAS AND ELECTRIC COMPANY,) Jointly Administered
Debtors.)
☐ Affects PG&E Corporation)
☐ Affects Pacific Gas and Electric Company)
☒ Affects both Debtors)
** All papers shall be filed in the Lead Case, No. 19-30088 (DM).*

**TENTATIVE RULING REGARDING MOTION TO APPLY RULE 7023 AND ORDER
SETTING DEADLINE**

The court has considered the motion (the "Motion") (dkt. #5042) filed by the Public Employees Retirement Association of New Mexico ("PERA") to apply Federal Rule of Bankruptcy Procedure 7023 to its filed class proofs of claim, the oppositions and reply, and following oral argument, hereby issues this tentative ruling regarding the Motion.

1 The court is inclined to grant the Motion and will briefly describe its reasoning. PERA
2 has adequately demonstrated that the factors articulated in *In re Musicland Holding Corp.*
3 weigh in its favor. 362 B.R. 644, 654-55 (Bankr. S.D.N.Y. 2007). First, the lack of pre-petition
4 certification is not fatal to PERA or dispositive in the context of the Motion. Second, there
5 remain grave due process concerns regarding the adequacy of actual or constructive notice of
6 the claims bar date given to class members, and in particular to class members who were no
7 longer securities or equity holders as of the Record Date. Finally, the court is not convinced
8 that granting the Motion would adversely affect the estate, where PERA recognizes that its
9 claims are subordinated pursuant to 11 U.S.C. § 510(b) and will not impact other creditors. The
10 court adds that the bankruptcy process has tools for the resolution of mass claims—for example,
11 the claims could be estimated—and this reduces the possibility of an adverse effect on
12 administration of the estate.

13 Having tentatively decided to grant the Motion, the court recognizes an alternative
14 result. Case law indicates that, if the court denies the Motion, it may set a reasonable bar date
15 to allow members of the class to file individual claims. *See Schuman v. The Connaught Grp.,*
16 *Ltd. (In re The Connaught Grp., Ltd.)*, 491 B.R. 88, 97 (Bankr. S.D.N.Y. 2013). The court is
17 open to considering this result but neither party has had an opportunity to argue their position
18 regarding whether the court should consider this alternative route. Consequently, the court
19 hereby

20 ORDERS PERA and Debtors to each file a supplemental brief no later than **February**
21 **14, 2020**, limited to ten pages, containing their respective arguments for why extension of the
22 bar date for these claimants is not preferable. To be clear, the court is not inclined to deny the
23 Motion outright and intends to either grant it or deny it and extend the bar date as to these
24 specific claimants. The briefs should be narrowly tailored to this issue. Other parties are
25 welcome, but not required, to file a brief by the deadline. The court will consider the parties'
26 positions and subsequently issue a final ruling on the Motion.

27 ***** END OF TENTATIVE RULING AND ORDER *****
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